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September 20, 2001

PEDERAL COMMUNICATIONS COLCANOSION
OFFICE OF THE SECRETARY

#### **VIA COURIER**

Ms. Magalie Roman Salas, Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re: Notice of Permitted Ex Parte Contacts, CC Docket No. 96-98

Dear Ms. Salas:

The purpose of this letter is to advise the Commission of permitted *ex parte* contacts in the above-referenced proceeding. On September 19, 2001, John Glicksman, Vice President & General Counsel of Adelphia Business Solutions (ABS), Terry Romine, Director of Legal and Regulatory Affairs, ABS, Burt Braverman and Erik Cecil of Cole, Raywid & Braverman on behalf of ABS, met with: Julie Veach, Attorney Advisor, Policy & Program Planning Division, Common Carrier Bureau; Jeremy Miller, Attorney Advisor, Policy & Program Planning Division, Common Carrier Bureau; Michelle Carey, Division Chief, Policy & Program Planning Division, Common Carrier Bureau; Daniel Shiman, Industry Economist, Policy & Program Planning Division, Common Carrier Bureau; Paul Margie, Legal Advisor to Commissioner Copps; Mathew Brill, Senior Legal Advisor to Commissioner Abernathy; Kyle Dixon, Legal Advisor to Chairman Powell; Commissioner Kevin Martin; Sam Feder, Senior Legal Advisor To Commissioner Martin; David Solomon, Chief, Enforcement Bureau; Radhika Karmakar, Deputy Chief, Market Disputes Resolution Division, Enforcement Bureau; and William Davenport, Legal Advisor to David Solomon, Enforcement Bureau.

During these meetings, ABS representatives discussed the importance of Enhanced Extended Links (EELs) to the continued advancement of facilities-based local telecommunications competition and the attached presentation.

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An original and two copies of this notice are being filed in the Office of the Secretary. Kindly place a copy in the files of the above-referenced proceeding. Please do not hesitate to contact the undersigned attorney should you have any questions regarding this filing.

Sincerely,

Burt Braverman Erik Cecil

cc: Mathew Brill, Office of Commissioner Abernathy

Michelle Carey, Policy & Program Planning Division, Common Carrier Bureau

Jeffrey Carlisle, Common Carrier Bureau

William Davenport, Office of Bureau Chief, Enforcement Bureau

Kyle Dixon, Office of Chairman Powell

Sam Feder, Office of Commissioner Martin

Radhika Karmakar, Market Disputes Resolution Division, Enforcement Bureau

Paul Margie, Office of Commissioner Copps

Jeremy Miller, Policy & Program Planning Division, Common Carrier Bureau

Commissioner Kevin Martin

Daniel R Shiman, Policy & Program Planning Division, Common Carrier Bureau

David Solomon, Enforcement Bureau

Julie Veach, Policy & Program Planning Division, Common Carrier Bureau



#### **ADELPHIA BUSINESS SOLUTIONS (ABS)**

ABS is one of the largest facilities-based competitive local exchange carriers in the United States, providing integrated communication services to business customers over its state-of-the-art fiber optic network in 30 states. Where possible, ABS has sought to lower costs and extend the reach of existing facilities by utilizing unbundled network elements, including combinations of transport and loop facilities leased from incumbent local exchange carriers (ILECs). ILECs, however, have utterly frustrated ABS' ability to make economic use of UNEs through their refusal to comply with clear FCC directives. Although ABS is working to overcome broad ILEC resistance to reasonably providing interconnection and access to UNEs, ABS wishes to focus particular attention on what it considers one of the most egregious examples of ILEC intransigence: ILECs' continuing insistence that CLECs pay retail rates for combinations of UNEs that the FCC has long since ruled are subject to cost-based pricing.

#### **Enhanced Extended Links (EELs)**

- EELs are simply unbundled interoffice transport connected to local loops. CLECs use EELs to extend the reach of a collocated facility from a single central office to customers connected to surrounding ILEC central offices. Thereby, CLECs avoid the need to collocate in every central office in the incumbent's territory. (See attached diagram.)
- EELs conversions are even simpler. An EELs conversion is nothing more than the FCC's application of its unbundling requirements to facilities CLECs have purchased from ILECs at retail rates. To permit competition, the FCC requires ILECs to sell UNEs at cost-based rates. Thus, where a CLEC has paid for the installation and operation of a combination of loop and transport at retail rates, the FCC permits CLECs to require ILECs to charge cost-based rates. It is, as the Commission has recognized, merely a matter of a billing adjustment.

#### ILECs Continue to Impede EELs Conversions and Deployment

- ILECs UNECESSARILY DELAY EELS CONVERSIONS:
- > ILECs provide comparable tariffed services within 10 days, new T-1 UNEs within 15 to 20 days, but take up to eight months to change the pricing on an existing special access circuit to UNE pricing.

#### • ILECs REFUSE TO REFUND OVERPAYMENTS:

➤ ILECs will not refund huge CLEC overpayments, but will only return them — after lengthy delays — as "credits", giving themselves interest-free use of scarce and dwindling CLEC funds for a year or more!



#### • ILECs DISCONNECT CLEC CUSTOMERS AT WILL:

CLECs lose credibility and customers in a fragile market.

# The FCC Should Lift Or Substantially Reduce the EELs Restrictions That ILECs Have Relied Upon To Delay And Ultimately Deny Their Competitors' Economic Use of EELs.

- The FCC Should Rescind the Local Usage and Commingling Restrictions.
  - ➤ Local usage and commingling restrictions serve no regulatory purpose or policy. The FCC is protecting ILEC access charges, which, by its own admission, do not support Universal Service. Moreover, since issuing the Third Report and Order on Local Competition, the FCC has reduced CLEC access charges, diminished CLEC reciprocal compensation revenues, and proclaimed that the age of intercarrier compensation has passed. Nevertheless, it permits ILECs to protect retail special access revenues (and utterly deny competitors access to EELs) by virtue of restrictions on EELs usage.
  - > Restrictions on competitors' use of UNEs are not permitted by the Act or the FCC's Rules.
- CLECs Must Be Permitted To Withhold Any Amounts ILECs Bill Above Applicable UNE Rates Without Adverse Consequence.
  - > ILECS must be prohibited from disconnecting CLEC circuits, imposing termination penalties, and delaying conversion of pricing from retail access charges to UNE rates.
- Until the FCC Removes Profit From ILEC Non-compliance, Competition Will Never Profit from the Telecommunications Act of 1996
  - ➤ Unless and until the FCC diminishes ILECs' ability to game existing rules and removes the profit incentive from ILEC non-compliance, CLECs will continue to fail in record numbers.
  - No market entrant in any industry, especially the capital intensive telecommunications industry, can simultaneously support, develop and deploy advanced services while waging regulatory battles for each and every input essential to providing the very services it seeks to sell, and which it is only capable of selling, at competitive rates.



### TYPICAL CONFIGURATION OF ENHANCED EXTENDED LINK

